



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center**  
**Newark, NJ 07102**  
[www.bpu.state.nj.us](http://www.bpu.state.nj.us)

TELECOMMUNICATIONS

IN THE MATTER OF THE APPLICATION OF )  
PPL PRISM, LLC FOR AUTHORITY TO PROVIDE )  
INTEREXCHANGE TELECOMMUNICATIONS ) ORDER  
SERVICES IN THE STATE OF NEW JERSEY )

DOCKET NO. TE03030184

(SERVICE LIST ATTACHED)

BY THE BOARD:

Pursuant to N. J. S. A. 48:2-1 et seq. and Section 253 of the federal Telecommunications Act of 1996, 47 U.S.C. §151 et seq., and by letter dated March 7, 2003, PPL Prism, LLC ("Petitioner" or "PPL Prism") filed a Petition with the New Jersey Board of Public Utilities ("Board") requesting approval for authority to provide interexchange telecommunications services in the State of New Jersey. Petitioner subsequently filed an amended Petition on April 7, 2003. Pursuant to the Open Public Records Act N.J.S.A. 47:1A-1 et seq., Petitioner has submitted its financial information under seal and has included a sworn affidavit with substantiation for confidential treatment in order to limit the availability of proprietary information.

On February 6, 2002, PPL Prism was initially incorporated as Orange Transition Company, LLC ("Orange Transition") under the laws of the State of Delaware. On February 21, 2003, Orange Transition filed a Certificate of Amendment to change its corporate legal name to PPL Prism, LLC. The Petitioner states that PPL Prism is a wholly owned subsidiary of PPL Telecom, LLC ("PPL Telecom"). Pursuant to Docket No. TE03030186, PPL Telecom has also applied for authority to provide resold interexchange telecommunications services in New Jersey. Petitioner's principal offices are located at Two N. Ninth Street, Allentown, Pennsylvania 18101-6094.

Petitioner has submitted copies of its Amended Certificate of Incorporation from the State of Delaware and its New Jersey Certificate of Authority to Operate as a Foreign Corporation. According to the Petition, PPL Prism was formed to provide facilities-based and resold interexchange telecommunications services throughout New Jersey. Petitioner states that it will file application for authority to offer telecommunications services in five other jurisdictions, specifically Maryland, Pennsylvania, New York, the District of Columbia and Virginia.

Pursuant to Docket No. TE00020130, on September 12, 2000, the Board granted authority to Cambrian Communications LLC ("Cambrian") to provide local exchange telecommunications services in the New Jersey. Subsequently, on September 20, 2002, Cambrian filed a voluntary Petition for reorganization under Chapter 11 of the U. S. Bankruptcy code in the United States Bankruptcy Court. According to the Petition, PPL Prism will purchase substantially all of the telecommunications assets of Cambrian in several East Coast states and the District of Columbia, including assets in the State of New Jersey that are currently being used by Cambrian to provide fiber-based network solutions to customers in New Jersey. Petitioner further states that the sale of Cambrian's assets to PPL Prism results from the resolution of Cambrian's bankruptcy proceeding pending in the United States Bankruptcy Court for the Eastern District of Virginia which was set for hearing on March 24, 2003. To ensure that Cambrian's existing customers receive uninterrupted and high-quality services, PPL Prism and Cambrian have agreed to complete this transaction on March 31, 2003. For this reason, the Petitioner requests that the Board approve PPL Prism's Petition on expedited manner to ensure continued service to Cambrian's existing customers. According to the Petition, PPL Prism, as part of its purchase of substantially all of Cambrian's telecommunications assets, will assume Cambrian's existing interconnection agreements with incumbent carriers and other service providers.

In its Petition, the Company seeks authority to provide facilities-based and resold interexchange telecommunications services to both carriers and private-line customers throughout the State of New Jersey. Petitioner states that it will also provide fiber optic non-switched transmission services to carriers and private-line customers in the Mid-Atlantic States and the District of Columbia, beginning in the second quarter of 2003. PPL Prism intends to offer these services via the fiber that it controls, collocation and interconnection with the incumbent local exchange carrier and transport equipment that PPL Prism will deploy in the markets it serves.

Petitioner requests a waiver of N. J. S. A. 48:3-7.8 and N. J. A. C. 14:1-4.3 which require that books and records be kept within the State of New Jersey and be maintained in accordance with the Uniform System of Accounts ("USOA"), respectively. In the interest of efficiency and to prevent undue burden, Petitioner requests permission to maintain its books and records in accordance with Generally Accepted Accounting Principles and to keep all books, records, documents and other writings incident to the conduct of Petitioner's business in the State of New Jersey at Petitioner's corporate offices in Allentown, Pennsylvania. Petitioner also states, upon written notice from the Board, it will provide its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records.

Petitioner asserts that approval of its Petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. Petitioner also asserts that approval of this Petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings.

With regard to its technical and managerial qualifications, PPL Prism states that it possesses the technical capability and managerial qualifications to operate and manage its telecommunications operations in the State of New Jersey. Petitioner has submitted the professional biographies of its key personnel who, according to PPL Prism, are well qualified to execute its business plans and have extensive managerial and technical experience in the telecommunications industry.

## DISCUSSION

On February 8, 1996, the federal Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, codified in scattered sections of 47 U.S.C. §151 et. seq., was signed into law, removing barriers to competition by providing that:

[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service.

[47 U.S.C. §253(a)].

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner meets all other requirements, including, but not limited to, a demonstration of financial, technical and managerial integrity.

In considering this Petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 47 U.S.C. §253(a). Approval is also in keeping with the New Jersey State Legislature's declaration that it is the policy of the State to provide diversity in the supply of telecommunications services, and its findings that competition will "promote efficiency, reduce regulatory delay and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." N. J. S. A. 48:2-21.16(a)(4); N. J. S. A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed PPL Prism's Petition and the information supplied in support thereof, the Board FINDS that the Petitioner is in compliance with the Board's filing requirements which are necessary to provide telecommunications services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES the Petitioner to provide interexchange telecommunications services throughout New Jersey subject to approval of its tariff. The Board also FINDS that in accordance with N. J. S. A. 48:2-59 and 48:2-60 and N. J. S. A. 52:27E-61 and 52:27E-62, the Petitioner is subject to an annual assessment by both the Board and Division of Ratepayer Advocate, respectively. The Board notes that the Petitioner will not be permitted to provide telecommunications services until a tariff is approved by the Board.

The Board HEREBY ORDERS that:

- 1) Petitioner file its tariff for Board approval.
- 2) Pursuant to N. J. S. A. 48:2-16.3, Petitioner shall file an annual report as of December 31 of each year, which is due on or before March 31 of the following year.
- 3) Pursuant to N. J. S. A. 48:2-59 and 48:2-60, Petitioner shall file a statement of gross intrastate revenues from operations form (AR3-1) as of December 31 of each year, which is due on or before June 1 of the following year.

On or before February 1<sup>st</sup> of each year, the Petitioner will receive from the Division of Audits, an annual report package and a statement of gross intrastate revenues from operations form for the preceding calendar year. The purpose of these documents is to report the company's financial information and gross intrastate revenues from operations as of December 31 of each year. The annual report and a statement of gross intrastate revenues from operations form is due on or before March 31 and June 1 of the following year, respectively. If Petitioner does not

receive these documents, it is Petitioner's responsibility to obtain them from the Board. It is also the Petitioner's responsibility to ensure timely filing of these reports.

Regarding the Petitioner's request for waivers of the Board rules, the Board FINDS that the Petitioner has demonstrated good cause why the Board should grant relief from its requirements that the Petitioner maintain its books and records in accordance with USOA and within New Jersey. Therefore, subject to the Petitioner's continuing responsibility to provide the Board books and records upon 48 hours notice, and in the manner requested, and to pay to the Board any reasonable expenses or charges incurred by the Board for any investigation or examination of these books and records, the Board APPROVES the Petitioner's request for the exemptions from maintaining its books and records in accordance with USOA and in New Jersey.

DATED: 5/8/03

BOARD OF PUBLIC UTILITIES  
BY:

(SIGNED)

\_\_\_\_\_  
JEANNE M. FOX  
PRESIDENT

(SIGNED)

\_\_\_\_\_  
FREDERICK F. BUTLER  
COMMISSIONER

(SIGNED)

\_\_\_\_\_  
CAROL J. MURPHY  
COMMISSIONER

(SIGNED)

\_\_\_\_\_  
CONNIE O. HUGHES  
COMMISSIONER

(SIGNED)

\_\_\_\_\_  
JACK ALTER  
COMMISSIONER

ATTEST:

(SIGNED)  
KRISTI IZZO  
SECRETARY

IN THE MATTER OF THE PETITION OF PPL PRISM, LLC FOR AUTHORITY  
TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS  
SERVICES IN THE STATE OF NEW JERSEY

**DOCKET NO. TE03030184**

**SERVICE LIST**

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